

FOURTH ADDENDUM TO AGREEMENT FOR PURCHASE AND SALE OF PROPERTY

WHEREAS, Boeing Realty Corporation, a California corporation, as seller ("**Seller**"), and Sares-Regis Group, a California general partnership, as buyer ("**Buyer**"), entered into that certain Agreement for Development, Purchase and Sale of Real Property and Escrow Instructions dated as of February 9, 2000, as amended by that certain Addendum thereto dated as of February 24, 2000, as further amended by that certain Second Addendum thereto dated as of March 15, 2000, as further amended by that certain Third Addendum thereto dated as of September 6, 2000 (collectively, the "**Agreement**"), concerning that certain real property identified as Parcels 1 through 3, inclusive, of Lot Line Adjustment PMEX 99-2594, recorded December 20, 1999, as Instrument No. 99-2336326, Official Records of Los Angeles County, California, as amended by that certain Lot Line Deed recorded September 22, 2000 as Instrument No. 00-1496104, in the Official Records of the County of Los Angeles, State of California, and as further amended by that certain Lot Line Deed recorded December 8, 2000 as Instrument No. 00-1917706, in the Official Records of the County of Los Angeles, State of California ("**Property**"); and

WHEREAS, Buyer and Seller desire to amend the Agreement in certain respects, as more particularly hereafter set forth; and

WHEREAS, Buyer and Seller desire to enter into this Fourth Addendum to the Agreement ("**Fourth Addendum**"), which shall be deemed incorporated into and shall form a part of the Agreement for all purposes and at all times hereafter;

NOW, THEREFORE, the parties agree as follows:

1. Capitalized terms used herein and not otherwise defined herein shall have the meaning(s) ascribed to same under the Agreement.
2. Buyer and Seller agree that the Agreement is hereby amended as follows:
 - (a) Buyer and Seller acknowledge and agree that a true, correct and accurate list of all Buyer Changes incorporated into the Final Plans and Final Working Drawings is attached hereto as **Exhibit "A"**, and that Buyer has previously paid Seller in full for each and all such Buyer Changes, excepting only Change Order Nos. 17, 18 and 19 reflected on said **Exhibit "A"**, and that Buyer shall pay for the work represented by said Change Order Nos. 17, 18 and 19 pursuant to Section 2(j) hereof.
 - (b) Buyer and Seller acknowledge and agree that, to their respective actual knowledge, Seller has achieved Substantial Completion (as defined in

Section 1.4.4 of the Agreement) of the Improvements as of November 28, 2000, and that Seller has delivered to Buyer the Architect's Certificate and Permit Sign-Offs required under Agreement Section 1.4.4 in acceptable form(s). Buyer acknowledges and agrees that the Architect's Certificate shall constitute Seller's Notice of Substantial Completion, and Buyer waives any requirement under Section 1.4.4 of the Agreement that Seller deliver any other or separate Notice of Substantial Completion. Buyer hereby accepts the Improvements (subject to the work remaining to be done as below specified in this subsection 2(b)) and agrees that Seller has to date fully and timely performed and completed its construction obligations regarding the Improvements under the Agreement (and that Buyer has approved of each and all Construction Milestones), save and except only: (i) the matters described on the Final Punchlist as defined and provided for under Section 1.4.4 of the Agreement, a copy of which is attached hereto as **Exhibit "B"** and incorporated herein by this reference, and which Final Punchlist is hereby approved by Buyer and Seller (and Seller agrees to cause to be completed at Seller's sole cost and expense as soon as reasonably practicable all matters set forth on the Final Punchlist), (ii) certain Map Conditions which Seller has not yet completed and as to which Seller has previously posted bonds, which Seller agrees to cause to be completed at Seller's sole cost and expense as soon as reasonably practicable and without unreasonable interference with Buyer's use of the Property and without the attachment of any lien rights on the Property or any portion thereof by reason of such work, and (iii) any construction warranty(ies) in favor of Buyer under Agreement Sections 1.5 and/or 10.4.3 (which warranties shall continue in full force and effect as otherwise provided in the Agreement). Nothing in the Fourth Addendum shall operate or be deemed to modify or diminish Seller's or Buyer's obligations under the Agreement which expressly survive the Closing, as provided under the Agreement. Seller represents to Buyer that, as of the date hereof, Seller has either completed all Map Conditions or has posted bonds with regard to those Map Conditions which have not been completed, in accordance with the requirements of Agreement Section 1.6.1.

(c) The Closing Date under the Agreement shall be December 15, 2000, and both Seller and Buyer shall use diligent efforts at all times to consummate the Closing on said date; provided however, that if the Closing has not occurred on December 15, 2000 despite such diligent efforts, then the Closing shall be extended on a daily basis without further action of the parties until no later than 5:00 p.m. Pacific Standard Time on December 22, 2000, so long as the parties continue to use diligent efforts at all times to consummate the Closing on the earliest possible date after December 15, 2000. If the Closing has not occurred despite such diligent efforts on or before December 22, 2000 (unless Buyer is ready, willing and able to close Escrow on that date but Seller has not then performed its obligations under the Agreement), then Buyer shall pay Seller outside of Escrow a nonrefundable extension fee of \$50,000 for each business day after December 22, 2000 until the Closing Date, payable in each case on the business day preceding the business day of extension to the Closing Date to which such payment relates; provided, however that in no event shall the Closing Date

occur later than December 29, 2000. The daily extension fees described in the immediately preceding sentence shall be fully earned upon receipt by Seller and shall not be credited against or otherwise reduce the Purchase Price payable by Buyer at Closing, and any failure by Buyer to fully and timely pay any such daily extension fee shall automatically be and constitute a material breach of the Agreement. The Closing shall occur whether or not Seller has completed any of the remaining construction obligations of Seller as described in subsection 2(b). However, to the extent that Seller has not completed on or before December 15, 2000 all of the matters described in subsection 2(b)(i) above, a portion of the Purchase Price equal to the reasonable value of correcting and completing said items shall be withheld from Seller ("**Holdback**") in Escrow at the Closing (which Holdback shall be in the agreed amount of \$38,250 as the reasonable value of correcting and completing all such items, reduced by the reasonable value of correcting any such items which are in fact corrected and completed before Closing to the reasonable satisfaction of Buyer, as such reasonable values are set forth on **Exhibit "B"** attached hereto and incorporated herein by this reference. The Holdback shall be distributed to Seller (pursuant to joint escrow instructions of Buyer and Seller to be given after Closing) upon correction and completion of all such matters to the reasonable satisfaction of Buyer. In the event that Seller has not completed all work required under Subsection 2(b)(i) on or before sixty (60) days after the Closing Date, then that portion of the Holdback equal to one hundred percent (100%) of the reasonable value (as such reasonable values are set forth in **Exhibit "B"** hereto) to correct the uncompleted items described in Subsection 2(b)(i) shall be distributed to Buyer by Escrow Holder without further instruction from Seller, and Buyer may cause any and all such uncompleted work to be completed, using such portion of the Holdback distributed to Buyer to pay for any such corrective work. Seller shall pay to Buyer (within five (5) business days after written request from Buyer) the reasonable costs incurred by Buyer of correcting such uncompleted work in excess of that portion of the Holdback distributed to Buyer, and Buyer shall pay to Seller (within five (5) business days after completion of all such uncompleted work) any portion of the Holdback distributed to Buyer in excess of the reasonable costs incurred by Buyer in correcting such uncompleted work.

(d) Seller shall credit Buyer against the Purchase Price at Closing the sum of Two Hundred Twenty Two Thousand Thirty Dollars (\$222,030).

(e) Seller agrees to credit the Purchase Price at Closing with the sum of \$77,967.00 (representing that portion of the \$75,076 "Potential Acceleration Costs" reflected on the CO Budget attached as Exhibit "A" to the Third Addendum to the Agreement which has not paid or is not owing to the Contractor by Seller plus certain reductions in said CO Budget by reason of written change order(s) with respect to the CO Plans and the ASTI's to be constructed by Seller pursuant thereto.

(f) Buyer acknowledges receipt of three certain pro forma title insurance policies insuring Buyer and issued by Chicago Title Company and telecopied

by Buyer's counsel to Seller's counsel on December 15, 2000 concerning the Property (pro forma policy nos. 91057494A-X59, 91057494B-X59 and 91057494C-X59), and copies of all title exceptions referenced therein ("**Pro Formas**"). Buyer hereby approves of said Pro Formas, and Buyer and Seller acknowledge and agree that issuance by the Title Company of the Title Policy (which shall be in the form of three owner's title insurance policies in the form of the Pro Formas) shall be and remain a condition precedent to Closing.

(g) Pursuant to Section 4(b) of the Third Addendum to the Agreement, Buyer hereby elects to purchase an additional 2,500 square feet (out of a total of 6,000 square feet available to Buyer under the Third Addendum) of Improvements entitlements for Building C (Parcel 3) in exchange for an increase in the Purchase Price of Seventy Thousand Dollars (\$70,000), payable at Closing. Buyer and/or its transferee(s) of Parcel 3 shall have no further right to purchase any additional Improvements entitlements for the Property.

(h) the Grant Deed to be delivered by Seller to Buyer at Closing (if any) shall be comprised of two (2) separate deeds and shall separately specify the maximum permitted floor area ratio for each legal parcel comprising the Property as of the Closing (after giving effect to the additional entitlements being purchased by Buyer under section 2(g) above) as follows: Building A/ Parcel 1: 52.0%, Building B/Parcel 2: 56.8%, Building C/Parcel 3 Parcel: 41.1%.

(i) In addition to other documents to be delivered by Seller at Closing as provided under the Agreement, Seller shall cause to be executed and recorded at Closing a First Amendment to the REA in the form of **Exhibit "D"** attached hereto and incorporated herein by this reference.

(j) Buyer and Seller acknowledge and agree that Change Order Nos. 17, 18 and 19 are hereby deleted from the Final Plans and Final Working Drawings ("**Deleted Change Orders**"), and that Seller shall have no further obligation to construct same on the Property. Rather, Buyer shall enter a direct contract with R.P. Wages, Inc. ("**Contractor**") regarding construction of the matters described in said Change Orders, and Buyer shall be solely responsible for full and timely payment for all work of the Contractor pertaining to same. In consideration of Seller allowing Buyer to enter such direct contract with Contractor, Buyer shall pay Seller directly a fee of \$14,678 (\$9,785 of which is payable to PRES for construction management services) outside of Escrow and within three (3) business days after the Closing Date. Buyer acknowledges and agrees that the Contractor has already commenced work concerning said Deleted Change Orders. Buyer shall be solely responsible for and agrees to take title to the Property subject to any and all mechanic's liens which have been filed or may potentially be filed against the Property by reason of any labor or materials delivered thereon or therein pursuant to any construction contract(s) concerning the Property to which Buyer is a

direct party and signatory (including without limitation in connection with the Deleted Change Orders), and Buyer agrees to indemnify the Title Company (in form and content reasonably acceptable to the Title Company and Buyer) against any and all such potential mechanic's lien claims (recorded or unrecorded, now or hereafter existing or arising).

(k) Buyer and Seller acknowledge and agree that Buyer intends to assign (by separate written assignments in form and content which must be delivered by Buyer and reasonably approved by Seller prior to Closing), effective as of immediately preceding the Closing, all of its rights under the Purchase Agreement (i) regarding Parcels 1 and 3 of the Property and the Improvements thereon to SRG Torrance, L.P., a California limited partnership, majority owned and/or controlled by Buyer or its principals ("**Assignee 1**"), and effective upon such assignment, Assignee 1 shall assume all obligations of Buyer under the Agreement (as amended by this Fourth Addendum) to the extent the same pertain to Parcels 1 and 3 of the Property, and (ii) regarding Parcel 2 of the Property and the Improvements thereon to P.T. West Associates, L.P., a California limited partnership, as to an undivided 97% interest as tenant in common, majority owned and/or controlled by Buyer or its principals, and to Torrance-Cox LLC, a Delaware limited liability company, as to an undivided 3% interest as tenant in common (jointly and severally, "**Assignee 2**"), and effective upon such assignment, Assignee 2 shall assume all obligations of Buyer under the Agreement (as amended by this Fourth Addendum) to the extent the same pertain to Parcel 2 of the Property. Title to Parcels 1 and 3 of the Property shall vest in Assignee 1 at Closing, and title to Parcel 2 of the Property shall vest in Assignee 2 at Closing. Buyer and Seller agree to allocate the Purchase Price for the Property as follows (in each case without adjustment for the credits to Purchase Price described in this Fourth Addendum): Parcel 1: \$11,391,815; Parcel 2: \$6,984,516; and Parcel 3: \$7,724,716.

(l) Buyer and Seller acknowledge and agree that the Purchase Price under the Agreement, and the payments previously made by Buyer to Seller, are calculated and set forth in **Exhibit "D"** attached hereto and incorporated herein by this reference. Buyer and Seller acknowledge and agree that Seller shall credit Buyer at Closing (if any) with the tenant's security deposit currently held by Seller in the amount of \$99,800. Said tenant security deposit credit shall not constitute an adjustment to the Purchase Price.

3. To the best of Buyer's and Seller's respective actual knowledge, and except as otherwise heretofore disclosed by Buyer or Seller to the other party, Buyer and Seller each acknowledges and agrees that the other party has fully and timely complied with and performed each and all obligations on its part to be performed under the Agreement as of the date of execution and delivery of this Fourth Addendum.

4. Buyer and Seller acknowledge and agree that time is of the essence under the Agreement, and especially as regards the Closing Date. Buyer and Seller each acknowledges and agrees that the other party shall be under absolutely no obligation to enter into any extension(s) or modification(s) of the Agreement.

5. Except as expressly modified hereby, each, every and all terms and conditions of the Agreement shall continue in full force and effect. In the event of any express conflict between the terms of the Agreement and the terms of this Fourth Addendum, the terms hereof shall prevail.

6. The undersigned hereby certify that they have read all of the foregoing Fourth Addendum, have conferred with counsel pertaining to the same, and fully understand all of the terms hereof, and the parties acknowledge and represent that they enter into this Fourth Addendum and all of the contemplated documents of their own free will and not due to any representation, commitment, promise, pressure or duress from any other party.

7. This Fourth Addendum shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Except as provided in Section 2(k), this Fourth Addendum may not be assigned, in whole or in part, by Buyer without the prior written consent of Seller, which may be withheld in its sole and absolute discretion, and any purported assignment in violation of the foregoing shall be an immediate material breach of this Fourth Addendum.

8. This Fourth Addendum is made and entered into for the sole protection and benefit of the parties hereto, and their permitted successors and assigns, and no other person or persons shall have any right of action hereon or be a third party beneficiary of this Fourth Addendum or any of the agreements or instruments called for herein.

9. No waiver by any party of any default or breach by any other party of any representation, warranty, covenant or other obligation in connection with any of this Fourth Addendum shall be implied from any failure to take action on account of such default, even if such default persists or is repeated. No express waiver in writing shall affect any default or breach other than the default or breach referenced therein, and any such waiver shall be operative only for the time and to the extent therein stated.

10. All headings appearing herein are for convenience only and shall be disregarded in construing the substantive provisions of this Fourth Addendum.

11. This Fourth Addendum may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. This Fourth Addendum may

be executed and delivered by the parties delivering their signatures by facsimile transmission, and facsimile signatures on this Fourth Addendum shall be valid and effective for all purposes as original signatures of the parties hereto.

12. In the event that any party to this Fourth Addendum should retain an attorney as a result of any dispute(s) arising out of or in any way connected with this Fourth Addendum (including without limitation any tort, contract or non-contract claims, disputes to enforce or interpret any provision of, or to declare any rights under, this Fourth Addendum, or otherwise), the prevailing party in any such dispute (whether by way of judgment, arbitration award, mediation, settlement, dismissal(s) of claims, or otherwise), shall be entitled to collect from the other party(ies) all of its fees and costs, including, without limitation, reasonable attorneys' fees, costs and expenses, incurred in connection with said dispute(s), whether or not suit is instituted and/or dismissed, and including without limitation any causes of action for injunctive and/or declaratory relief and/or any and all such fees and costs in connection with any appeal(s).

13. This Fourth Addendum (together with the Agreement and the documents referenced therein) is the sole, entire, integrated and complete agreement of the parties relating in any way to the subject matter hereof, and any and all prior and/or contemporaneous negotiations, communications and understandings are merged herein and are hereafter null and void to the extent not expressly set forth herein. No statements, promises or representations have been made by any of the parties or their counsel to any other of the parties or their counsel, or been relied upon, and no consideration has been or is offered, promised, expected or held out, other than as set forth in this Fourth Addendum, the Agreement or the Assignment. This Fourth Addendum may not be altered, amended or modified except by a writing which expressly refers to this Fourth Addendum and is signed by whichever of the parties is to be charged.

14. This Fourth Addendum is entered into and shall be construed, governed, interpreted and enforced in accordance with the laws of the State of California.

15. Each of the parties hereto shall make, execute and deliver such documents and agreements and shall undertake such other and further actions as may be reasonably necessary to carry out the intent of the parties hereto as expressed in this Fourth Addendum.

16. In the event that any one or more provisions of this Fourth Addendum are found to be unenforceable, the remainder of this Fourth Addendum shall nonetheless be and remain valid and enforceable, unless the basic purposes of this Fourth Addendum are frustrated thereby.

Dated as of December 15, 2000

ACKNOWLEDGED AND AGREED:

CHICAGO TITLE INSURANCE
COMPANY

By _____

Its _____

SELLER:

BOEING REALTY CORPORATION, a
California corporation

By _____

Its _____

BUYER:

SARES-REGIS GROUP,
a California general partnership

By: SARES COMPANY,
a California corporation,
as general partner

By [Signature]

Its [Signature]

16. In the event that any one or more provisions of this Fourth Addendum are found to be unenforceable, the remainder of this Fourth Addendum shall nonetheless be and remain valid and enforceable, unless the basic purposes of this Fourth Addendum are frustrated thereby.

Dated as of December 15, 2000

ACKNOWLEDGED AND AGREED:

CHICAGO TITLE INSURANCE
COMPANY

By _____

Its _____

SELLER:

BOEING REALTY CORPORATION, a
California corporation

By

Its

[Signature]
DIRECTOR BUSINESS OPERATIONS

BUYER:

SARES-REGIS GROUP,
a California general partnership

By: SARES COMPANY,
a California corporation,
as general partner

By _____

Its _____

EXHIBIT "A"
CHANGE ORDER LIST

CHANGE ORDER REQUEST LOG (C.O.R.)

FRANCISCO BUSINESS CENTER

O.C.O.R. LOG



INER: BOEING REALTY CORPORATION				CONSTRUCTION MANAGER: PRES DEVELOPMENT & CONSTRUCTION MANAGEMENT SERVICES, INC				
OBJECT LOCATION: LOS ANGELES, CA				UPDATED: 12/5/00				
DATE	REQUESTED BY	PAYMENT RESPONSIBILITY	DESCRIPTION OF CHANGE	C.O.R. AMOUNT	DATE EXECUTED	PAYMENT FROM S.R.G.	O.C.O. NO.	NOTES/COMMENTS
5/11/00	S.R.G.	S.R.G.	Change to 4 ply roof spec.	57,435	5/22/00	7/13/00	O.C.O. NO. 1	S.R.G. Check No. 00000251 \$57,435
5/11/00	S.R.G.	S.R.G.	Paint warehouse walls A & B	15,030	5/22/00	N/A	Incl. RPW contract	Incl. in base contract with R.P.W. Inc.
5/18/00	S.R.G.	S.R.G.	2" Sprinkler Too's Bldg. A	38,014	5/22/00	7/13/00	O.C.O. NO. 1	S.R.G. Check No. 00000252 \$39,014
5/18/00	S.R.G.	S.R.G.	2" Sprinkler Too's Bldg. A	38,014	5/22/00	7/13/00	O.C.O. NO. 1	S.R.G. Check No. 00000252 \$39,014
6/12/00	S.R.G.	S.R.G.	Building "B" panel revisions	25,000	7/8/00	9/29/00	OCO NO. 3	S.R.G. check No. 00000277
7/20/00	S.R.G.	S.R.G.	Glazing changes to Bldg. B	66,716	7/27/00	9/29/00	OCO NO. 3	S.R.G. check No. 00000277
7/7/00	S.R.G.	S.R.G.	Smoke/skylight changes Bldg. A	14,926	7/20/00	7/13/00	OCO NO. 3	S.R.G. Check No. 00000253 \$14,926
7/18/00	S.R.G.	S.R.G.	Revised Mezzanine price Bldg. B	360,810	7/27/00	9/29/00	OCO No. 4	S.R.G. check No. 00000277
8/4/00	S.R.G.	S.R.G.	Delta 3 revisions to Bldg. B Mezz.	23,192	8/10/00	9/29/00	OCO No. 5	S.R.G. check No. 00000277
8/16/00	S.R.G.	S.R.G.	Building "A" Mezzanine price	134,337	9/28/00	11/1/00	OCO No. 7	S.R.G. check No. 00132351
10/12/00	S.R.G.	S.R.G.	Building "A" sprinklers for ceiling	100,461	10/31/00	11/1/00	Pending OCO No. 9	S.R.G. check No. 00132351
10/12/00	S.R.G.	S.R.G.	Delete floor seal Bldg. B	8,085	10/31/00	11/1/00	Pending OCO No. 8	S.R.G. check No. 00132351
10/17/00	S.R.G.	S.R.G.	Revisions to Bldg. B mezzanine	10,255	10/31/00	11/1/00	Pending OCO No. 9	S.R.G. check No. 00132351
10/18/00	S.R.G.	S.R.G.	Tenant improvements Bldg. A	325,920	10/31/00	11/1/00	OCO No. 7	S.R.G. check No. 00132351
10/19/00	S.R.G.	S.R.G.	Acceleration cost for Bldg. B	8,162	10/31/00	11/1/00	Pending OCO No. 8	S.R.G. check No. 00132351
10/19/00	S.R.G.	S.R.G.	Deduct for Bldg. B mezz. topping	-25,400	10/31/00	11/1/00	Pending OCO No. 8	S.R.G. check No. 00132351
20								
21								
22								
23			Authorized Changes made by Sares Regis Group in date.	1,743,778				
24								
25								
26								
27								
28								
29								
30								
S.R.G.	SARES REGIS GROUP							
B.R.C.	BOEING REALTY CORPORATION							
P.R.E.S.	PRES DEVELOPMENT & CONSTRUCTION MANAGEMENT SERVICES, INC.							
R.P.W.	R.P. WAGES, INC.							

EXHIBIT "A" TO FOURTH ADD. JUM

EXHIBIT "B"
FINAL PUNCHLIST

EXHIBIT "B" TO FOURTH ADDENDUM

ARCHITECT'S PUNCH LIST

Project

Francisco Business Center (Bldg. A)
1540 Francisco
Los Angeles, CA

1580 Francisco (Bldg. B)
Los Angeles, CA

20100 Western Ave. (Bldg. C)
Los Angeles, CA

Owner

Boeing Realty Corporation
3760 Kilroy Airport Way - Ste. #500
Long Beach, CA 90806

To: (Contractor)

R.P. Wages
2021 Ranch Dr. - Ste. #4
Redlands, CA 92373-6236

Architect's Project No. 99021

Date of Walk-Through: December 13, 2000

Issue Date: December 13, 2000

Architect

HPA, Inc.
4931 Birch St.
Newport Beach, CA 92660

Attendees at Walk-Through

Ted Fisher
Dave Anderson
Ned Sciortino
John Cataldo
Bob Jacob
Craig Haugen

The items listed below need to be completed, repaired, and corrected prior to the project being deemed complete. These corrected items do not relieve the Contractor from any obligations, responsibilities or guarantees associated with the contract specifications and documents.

<u>Item</u>	<u>Description</u>	<u>Cost</u> <u>Estimate</u>	<u>Anticipate</u> <u>Completi</u> <u>Date</u>
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General Items – 11/10/2000

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|----|------------------------------------------------------------------------------------------|-----|--|
| 1. | Substantial completion review: Contractor shall provide documentation per Section 01700. | \$0 | |
| 2. | Record drawings and specifications: Need to be provided. Refer to Section 01710.109. | \$0 | |
| 3. | Operating and maintenance data: Needs to be provided. Refer to Section 01730. | \$0 | |
| 4. | Guarantees, warranties, and bonds: Need to be provided to the owner. Refer | \$0 | |

Item	Description	
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	to Section 01740.	
5.	Starting of systems shall be done in accordance with Section 01650.	
6.	Agency document submittals: Finals need to be provided from all governing agencies.	\$0
7.	Keys and keying schedule: Need to be provided to the owner.	\$0
8.	Final cleaning: As outlined in Section 01710.	\$500
9.	Electrical: Complete and test system. Provide as-built drawings, product information, and catalogs to owner. Review system controls with owner.	\$0
10.	Plumbing: Complete and test system. Provide as-built drawings, product information, and catalogs to owner. Review system controls with owner.	\$0
11.	Fire protection: Complete and test system. Provide agency approvals. Provide as-built drawings, information, and catalogs to owner. Review system controls with owner. Provide Fire Department approvals.	\$0
12.	Landscaping: Complete and test system. Provide agency approvals. Provide as-built drawings, information, and catalogs to owner. Review system controls with owner. Provide required maintenance. Complete punch list from the landscape architect.	\$0
13.	Dry packing missing under light standard base plates.	\$500

Site - 12/01/2000

3.	Sack and patch asphalt paving at south side parking stalls of building A(review of patches still required)	\$5000
9.	Built-up ground cover material to flash border between hardscape and landscape area at west side of entrance of building A.	\$1000
11.	Clean up the paving around manhole patch at northwest corner of building B.	Included above
13.	Move gate to completely conceal them behind screen walls at full opening.- general	\$1500
15.	Fill in the gap between curbs and between curb and asphalt paving at south east corner landscape area of building B.	Included above
20.	Clean up asphalt paving at west side of building C	\$500

Building A -

List - 12/01/2000

1.	Complete installation of Alucabon panel system. (Caulk and clean roof)	\$500
10.	Fix crack at bottom of storefront door.	\$500
New	Roof punch list corrections	\$2500

List - 11/10/2000

Building B

Item Description

List - 12/01/2000

1.	Complete installation of Alucabon panel system.(Caulk)	\$500
New	Roof punch list corrections	\$1000

List - 12/13/2000

1.	Sac and patch screen wall at north west near C	\$500
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Building C

List - 12/01/2000

1.	Complete installation of Alucabon panel system.	\$7500
2.	Complete installation of soffit sheet metal system.	\$2500
3.	Complete glazing system.	\$10000
4.	Complete caulking work.	Included above
6.	Fix Alucabon joints, which are not flushed.	Included above
New	Roof punch list corrections	\$1000

List - Electric 12/13/2000

1.	Install wall Pac lights on east elevation – plans indicate 7 fixtures equally spaced – one fixture is missing – and additional one may need to be added to nonconforming spacing	\$1500
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List - 11/10/2000

1.	Complete all Alucabon and sheet metal soffit installation.	Included above
2.	Paint in-bed plate on pop out at northwest office elevation. (to match adjoining wall)	\$250
3.	Caulk all overflow scuppers and paint.(install missing scupper trim west elevation)	\$250
4.	Replace all temporary glass and broken glass. (approx. 29 panels)	Included above
5.	At exterior man door landings, some of the railings are not yet installed. Additionally, at certain landings with up to 4 risers. Railings should be provided opposite the doors, where steps are at 90° to exit. (Building C, south elevation, exit near gridline C. See sheet A3.3C.)	\$750

TOTAL COST **\$38,250.00**

EXHIBIT "C"
AMENDMENT TO REA

RECORDING REQUESTED BY

AND WHEN RECORDED RETURN TO:

Clay H. Shevlin, Esq.
Paul, Hastings, Janofsky & Walker LLP
695 Town Center Drive, 17th Floor
Costa Mesa, California 92626

SPACE ABOVE FOR RECORDER'S USE

**FIRST AMENDMENT TO
DECLARATION AND GRANT OF EASEMENTS
AND RECIPROCAL EASEMENT AGREEMENT**

This First Amendment to Declaration and Grant of Easements and Reciprocal Easement Agreement ("**Amendment**") is made as of this 14th day of December, 2000, by Boeing Realty Corporation, a California corporation ("**Boeing**").

1. RECITALS

1.1 Boeing is the "Declarant" under that certain Declaration and Grant of Easements and Reciprocal Easement Agreement, executed by Boeing as of September 6, 2000 and recorded on September 8, 2000 as Instrument No. 00-1482684 in the Official Records of Los Angeles County, California ("**Declaration**").

1.2 Boeing executed and caused that certain Covenant and Agreement Regarding Maintenance of Yards For An Over-Sized Building, dated March 6, 2000, to be recorded on April 10, 2000 as Instrument No. 00-0535857 in the Official Records of Los Angeles County, California ("**Building Restriction**"). The Building Restriction essentially prohibits construction of most kinds of improvements within a sixty foot (60') border (the "**Parcel 'B' No-Build Zone**") around the building on Parcel B (as defined in the Declaration). At about the same time, Boeing also executed and caused the recordation of two other restriction agreements, which similarly established "no-build" zones around the buildings to be located on Parcel A and Parcel C (each as defined in the Declaration).

1.3 Boeing also (i) caused that certain Certificate of Compliance for Lot-Line Adjustment, dated December 8, 2000, to be recorded on December 8, 2000 as Instrument No. 00-1917705 in the Official Records of Los Angeles County, California, and (ii) executed and caused that certain Grant Deed, dated December 8, 2000, to be recorded on December 8, 2000 as Instrument No. 00-1917706 in the Official Records of Los Angeles County, California (collectively, for purposes of this Amendment, the "**Lot Line Adjustment Correction**"). The Lot Line Adjustment was recorded to correct the legal descriptions of deeds and certificates of compliance previously recorded as Instrument Nos. 99-2336325,

99-2336326, 00-1496104 and 00-1496105 In the Official Records of Los Angeles County, California.

1.4 Due to the recordation of the Lot Line Adjustment Correction (which, among other things, shifted to the east the north-south boundary line between Parcel C and Parcel B), the majority (i.e., about a fifty-five foot (55') wide strip) of the Parcel B No-Build Zone now lies along the eastern boundary of Parcel C.

1.5 Pursuant to its authority under Section 16 of the Declaration (Boeing owns all three Parcels (as defined in the Declaration) subject to the Declaration), Boeing desires to amend the Declaration to (i) prohibit an Owner (as defined in the Declaration) of Parcel C from constructing improvements on the eastern portion of Parcel C within sixty feet (60') of the westernmost portion of the Parcel B building (as it exists as of the date hereof) in such a manner as would violate the terms and Intent of the Building Restriction and (ii) clarify that the Trash Enclosure Easements (as defined in the Declaration) do not and are not intended to encroach over the relevant westernmost portions of the Parcel B building.

1.5 As with the Declaration, Boeing is executing this Amendment because Boeing wants the Parcels to be developed and maintained as a coordinated distribution development with the shared rights set forth in the Declaration, as modified hereby.

1.6 Immediately upon recordation of this Amendment, Boeing hereby grants and imposes for the benefit of the Parcels named below, as applicable, the easements and rights hereinafter set forth (and Boeing hereby imposes equitable servitudes upon the Parcels named below, as applicable).

2. OPERATIVE TERMS

2.1 All initial capitalized terms used but not defined herein shall have the meanings ascribed to them in the Declaration, and Exhibits "A," "B," "C," and "D" attached hereto are incorporated herein by this reference.

2.2 The Recitals shall be deemed operative terms of this Amendment for all purposes hereunder.

2.3 In order to clarify that the Trash Enclosure Easements do not and were not intended to encroach onto or into the building located on Parcel B, Exhibit "D-2" to the Declaration is hereby replaced with a revised and corrected 'Exhibit "D-2"' which is attached hereto as Exhibit "D." The replacement Exhibit "D-2" does not otherwise differ from the original Exhibit "D-2."

2.4 Boeing hereby declares and Imposes upon Parcel C the following covenant and restriction for the exclusive benefit of the Owner(s) of Parcel B, and their respective successors, assigns, heirs, representatives, agents, employees, licensees, invitees, tenants and customers: the Owner(s) of Parcel C shall not construct or permit to be constructed any improvements on Parcel C within sixty feet (60') of the westernmost portion of the Parcel B building (as it exists as of the date hereof) in such a manner as would violate the terms and provisions of the Building Restriction.

3. NATURE OF EASEMENTS

Boeing declares that each and all of the foregoing shall be covenants running with the land, binding upon and inuring to the benefit of each of the Owners and their respective heirs, representatives, tenants, successors and assigns, and shall be enforceable as equitable servitudes by each of such persons and/or entities.

4. NO PUBLIC DEDICATION

Nothing contained in this Amendment shall be deemed to be a gift or dedication of any portion of the servient tenements to or for the general public or for any public purpose whatsoever. To the contrary, the easements and rights herein reserved, granted and/or to be granted are intended solely for the private use and benefit of the Owners, their respective heirs, representatives, tenants, successors and assigns, and their respective Parcels.

5. INDEMNIFICATION

Each of the Owners (other than Boeing) by accepting title to its Parcel(s) agrees to indemnify, defend and hold harmless each of the other Owners from and against any and all claims, losses, liabilities, damages, obligations and expenses (including attorneys' fees), to the extent caused by the acts or omissions of the indemnifying Owner (or its respective successors, assigns, heirs, representatives, agents, employees, licenses, invitees, tenants and/or customers) on or about the Common Use Areas or the other easement areas herein created.

6. ATTORNEYS' FEES

If any party hereto commences an action against any other party hereto to enforce any of the terms of this Agreement or because of the breach by a party hereto of any of the terms hereof, the prevailing party shall be entitled to collect from the other party reasonable attorneys' fees, costs and expenses incurred in connection with the prosecution or defense of such action.

7. COUNTERPARTS

This Amendment may be executed in any number of counterparts, but all of which, taken together, shall constitute one and the same instrument. For recording purposes, any

signature page of this Amendment may be detached from and added to any counterpart of this Amendment identical in form hereto.

8. MODIFICATION

This Amendment, and the easements, rights and burdens created hereby can only be modified by a recorded writing duly executed (a) by Boeing acting alone so long as Boeing owns any of the Parcels, or (b) by all of the Owner(s) of the Parcel(s) at the time of recordation of such modification.

9. COVENANTS RUNNING WITH THE LAND, EQUITABLE SERVITUDES

The covenants and agreements reflected herein shall run with the respective Parcel(s) benefitted and/or burdened thereby, and each and all such covenants and agreements shall also be enforceable by each present and future Owner(s) (and its respective successor(s) and assign(s)) as equitable servitudes.

10. EFFECT OF AMENDMENT

Except as expressly modified hereby, the Declaration shall remain in full force and effect in accordance with its terms.

"Boeing"

BOEING REALTY CORPORATION,
a California corporation

By _____

Its _____

EXHIBIT A**PARCEL A LEGAL DESCRIPTION**

All that certain real property in the City of Los Angeles, County of Los Angeles, State of California, being portions of Lots 15 and 16 of Tract No. 52172-02 as per map recorded June 2, 1998 as Instrument No. 98-1001478 in Book 1238, pages 17 to 22 Official Records of said county, said portion being described as follows:

BEGINNING at the Southeast corner of said Lot 15; thence, along the Southerly line of said Lots 15 and 16, South $89^{\circ}59'31''$ West 500.57 feet; thence, leaving said Southerly line of Lot 16, "North" 798.71 feet to the Northerly line of said Lot 16; thence, along said Northerly line, North $89^{\circ}58'30''$ East 205.81 feet to the beginning of a curve concave Southerly, having a radius of 368.00 feet; thence, Southeasterly along said curve through a central angle of $08^{\circ}53'06''$, an arc length of 57.07 feet to a point of reverse curvature, said curve being concave Northerly, having a radius of 882.00 feet, a radial line to said point bears North $08^{\circ}51'36''$ East; thence, Southeasterly along said curve through a central angle of $15^{\circ}27'05''$, an arc length of 237.86 feet to the Northeast corner of said Lot 15; thence, leaving said Northerly line of said Lot 15, along the Easterly line of said Lot 15, South $00^{\circ}03'37''$ East 789.64 feet to the Southeast corner of said Lot 15 and the POINT OF BEGINNING.

:GS2209

EXHIBIT B**PARCEL B LEGAL DESCRIPTION**

All that certain real property in the City of Los Angeles, County of Los Angeles, State of California, being portions of Lots 16, 17, 18, 19 and 20 of Tract No. 52172-02 as per map recorded June 2, 1998 as Instrument No. 98-1001478 in Book 1238, pages 17 to 22 Official Records of said county, said portion being described as follows:

COMMENCING at the Southeast corner of said Lot 15; thence, along the Southerly line of said Lots 15 and 16, South $89^{\circ}59'31''$ West 500.57 feet to the TRUE POINT OF BEGINNING; thence, leaving said Southerly line, "North" 798.71 feet to the Northerly line of said Lot 16; thence, along said Northerly line, South $89^{\circ}58'30''$ West 440.33 feet to the Northeast corner of said Lot 17; thence, along the Northerly line of Lot 18, South $86^{\circ}30'05''$ West 0.67 feet; thence, leaving said Northerly line of Lot 18, "South" 798.54 feet to the Southerly line of said Lot 20; thence, along the Southerly line of said Lots 20, 17 and 16 North $89^{\circ}59'31''$ East 441.00 feet to the TRUE POINT OF BEGINNING.

:GS2209

EXHIBIT C**PARCEL C LEGAL DESCRIPTION**

All that certain real property in the City of Los Angeles, County of Los Angeles, State of California, being portions of Lots 17, 18, 19 and 20 of Tract No. 52172-02 as per map recorded June 2, 1998 as Instrument No. 98-1001478 in Book 1238, pages 17 to 22 Official Records of said county, said portion being described as follows:

COMMENCING at the Northeast corner of said Lot 18; thence, along the Northerly line of said Lot 18, South $86^{\circ}30'05''$ West 0.67 feet to the TRUE POINT OF BEGINNING; thence, leaving said Northerly line of Lot 18, "South" 798.54 feet to the Southerly line of said Lot 20; thence, along the Southerly line of said Lot 20, South $89^{\circ}59'31''$ West 346.30 feet to the Southwest corner of said Lot 20; thence, along the Westerly line of said Lots 20, 19 and 18, North $00^{\circ}23'15''$ West 690.86 feet; thence, North $89^{\circ}36'45''$ East 1.89 feet to a point on a non tangent curve, concave Southeasterly, having a radius of 90.00 feet, a radial line to said point bears South $88^{\circ}54'26''$ West; thence, Northeasterly along said curve, through a central angle of $87^{\circ}35'39''$, an arc length of 137.59 feet; thence, along the Northerly line of said Lot 18, North $86^{\circ}30'05''$ East 265.09 feet to the TRUE POINT OF BEGINNING.

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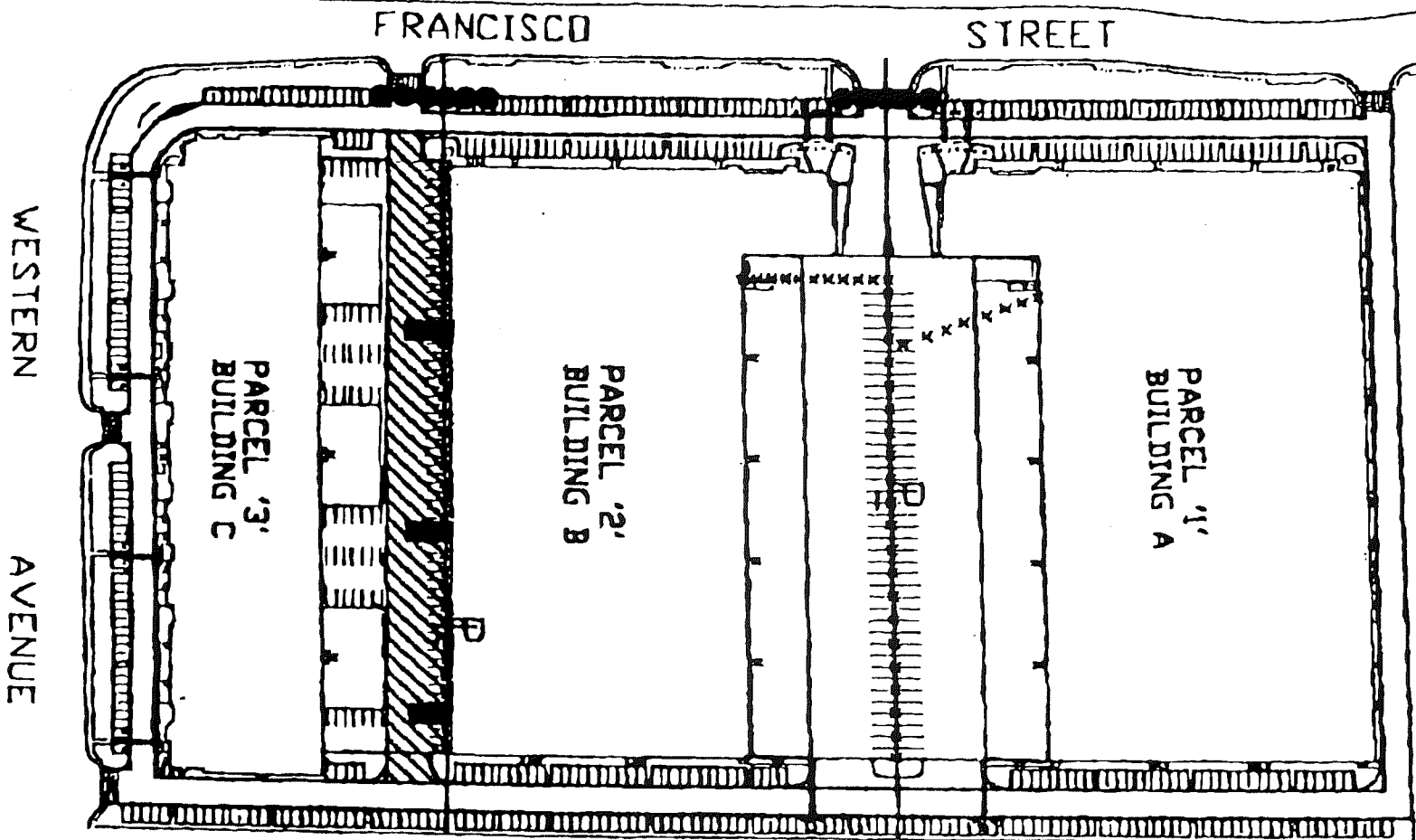
EXHIBIT D

REPLACEMENT EXHIBIT "D-2"

[SEE ATTACHED]

EXHIBIT "D-2"

T-113 P.11/12 F-690



- - INDICATES COMMON IRRIGATION SYSTEM EASEMENT ACROSS PROPERTY LINE (SURFACE AND PIPE)
- XXXX - INDICATES COMMON LIGHTING & CONDUIT SYSTEM EASEMENT ACROSS PROPERTY LINE
- - INDICATES TRASH ENCLOSURE EASEMENT ACROSS PROPERTY LINE
- ▨ - INDICATES EMERGENCY ACCESS EASEMENT

NORTH
NOT TO SCALE
9/05/00

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me _____, the undersigned,
personally appeared _____, personally known to me (or
proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s)
is/are subscribed to the within instrument and acknowledged to me that he/she/they
executed the same in his/her/their authorized capacity(ies), and that by his/her/their
signature(s) on the instrument the person(s), or the entity upon behalf of which the
person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public in and for said
County and State

(SEAL)

EXHIBIT "D"

RECONCILIATION OF PURCHASE PRICE

Purchase Price	\$26,000,000	
Total Buyer Change Orders (excluding Change Order Nos. 17, 18, 19)	+ 1,230,069	
Additional FAR (Third Addendum)	+ 331,044	
Additional FAR (Fourth Addendum)	+ 70,000	
Less: Credit for Mezzanine (Fourth Addendum)	<u>-222,030</u>	
TOTAL PURCHASE PRICE	\$27,409,083	
Less: Change Order Payments to Seller Outside of Escrow	<u>-1,308,036*</u>	
NET PURCHASE PRICE PAYABLE THROUGH ESCROW		\$26,101,047

*includes \$77,967 in excess payments by Buyer to Seller outside of escrow for certain ASTI's work referenced in this Fourth Addendum.